

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 25-0945.04 Jacob Baus x2173

HOUSE BILL 25-1320

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A BILL FOR AN ACT

101 **CONCERNING THE FINANCING OF PUBLIC SCHOOLS, AND, IN**
102 **CONNECTION THEREWITH, MAKING AND REDUCING AN**
103 **APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Under current law, there are 2 total program formulas to finance public schools. Absent the satisfaction of a statutorily specified condition, the first formula is scheduled to stop determining total program after the 2024-25 budget year (expiring formula), and the second formula is scheduled to determine total program beginning in the 2030-31 budget

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
Amended 3rd Reading
April 17, 2025

HOUSE
Amended 2nd Reading
April 16, 2025

year (new formula). For the 2025-26 budget year through the 2029-30 budget year (transition period), total program is scheduled to be determined by using figures that were calculated under both the expiring formula and the new formula.

The bill:

- Extends the transition period by one year, so that it is from the 2025-26 budget year through the 2030-31 budget year; and
- Postpones the exclusive use of the new formula to determine total program until the 2031-32 budget year.

The bill changes how each school district's and institute charter school's annual total program is determined during the transition period. For the 2025-26 and 2026-27 budget years, each school district's and institute charter school's annual total program is the greater of the school district's or institute charter school's total program for the 2024-25 budget year or the amount calculated under the expiring formula plus an amount equal to 15% in 2025-26 and 30% in 2026-27 of the difference between the amounts calculated under the new formula and the expiring formula. For the 2027-28 budget year through the 2030-31 budget year, each school district's and institute charter school's annual total program is the greater of the district's or institute charter school's calculation under the expiring formula plus 1% of that calculation, or:

- For the 2027-28 budget year, the amount calculated under the expiring formula plus an amount equal to 45% of the difference between the amounts calculated under the new formula and the expiring formula;
- For the 2028-29 budget year, the amount calculated under the expiring formula plus an amount equal to 60% of the difference between the amounts calculated under the new formula and the expiring formula;
- For the 2029-30 budget year, the amount calculated under the expiring formula plus an amount equal to 75% of the difference between the amounts calculated under the new formula and the expiring formula; and
- For the 2030-31 budget year, the amount calculated under the expiring formula plus an amount equal to 90% of the difference between the amounts calculated under the new formula and the expiring formula.

Under current law, there are specified conditions that apply to the transition period. If the joint budget committee determines that a specified condition occurs in a budget year during the transition period, then for the next budget year and each budget year thereafter, the transition is suspended, and each school district's total program is determined pursuant to the calculation and determination required for the budget year when the condition occurred. For one of the existing conditions, the bill specifies

that an income tax deposit to the state education fund that was made to correct an error does not count toward determining whether the condition has been satisfied.

A school district's funded pupil count is a figure that is used as a part of determining a school district's total program. Under the expiring formula, a school district's funded pupil count is calculated by determining the greater of the school district's pupil enrollment for the applicable budget year or the average of the school district's pupil enrollment for the applicable budget year and the immediately preceding 4 budget years. Under current law, the new formula calculates a school district's funded pupil count by determining the greater of the school district's pupil enrollment for the applicable budget year or the average of the school district's pupil enrollment for the applicable budget year and the immediately preceding 3 budget years.

The bill changes the new formula so that:

- For the 2025-26 budget year, a school district's funded pupil count is calculated by determining the greater of the school district's pupil enrollment for the applicable budget year or the average of the school district's pupil enrollment for the applicable budget year and the immediately preceding 3 budget years; and
- For the 2026-27 budget year and each budget year thereafter, a school district's funded pupil count is calculated by determining the greater of the school district's pupil enrollment for the applicable budget year or the average of the district's pupil enrollment for the applicable budget year and the immediately preceding 2 budget years.

However:

- If a statutorily specified condition is satisfied, and consequently for the 2026-27 budget year, a district's total program is not determined as scheduled under the transition period, then for the 2026-27 budget year, and each budget year thereafter, funded pupil count will continue to be determined by the greater of the school district's pupil enrollment for the applicable budget year or the average of the school district's pupil enrollment for the applicable budget year and the immediately preceding 3 budget years; and
- If, for the 2027-28 budget year, the state education fund balance is projected to be less than \$200 million, then the general assembly is required to implement a smoothing factor or the funded pupil count will be determined by the greater of the school district's pupil enrollment for the applicable budget year or the average of the school district's pupil enrollment for the applicable budget year

and the immediately preceding budget year for the 2027-28 budget year and each budget year thereafter.

The bill changes the expiring formula so that starting in the 2027-28 budget year, the funded pupil count used in the expiring formula is the same funded pupil count that is used in the new formula to determine a district's total program during the transition period.

The bill determines total program for the 2025-26 budget year using the formula changes in the bill. The bill:

- Increases the statewide base per pupil funding for the 2025-26 budget year by \$195.42 to account for inflation;
- Sets a new statewide base per pupil funding amount for the 2025-26 budget year at \$8,691.80; and
- Sets the total program funding for the 2025-26 budget year for all school districts and institute charter schools to at least \$10,035,615,917.80.

Under current law, a new at-risk measure is required to be implemented in the 2025-26 budget year. The bill postpones the implementation of this requirement to the 2026-27 budget year.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) The state of Colorado is committed to ensuring that every
5 child, regardless of their socioeconomic background, geographic location,
6 or individual needs has access to a high-quality public education. In order
7 to achieve this, the state must distribute state and local funding through
8 a school finance system that is student-centered, equitable, and
9 sustainable.

10 (b) The general assembly reaffirms its commitment to upholding
11 the Colorado Constitution's mandate for a thorough and uniform system
12 of public education and to providing every child with the opportunity to
13 receive an adequate education. Furthermore, the general assembly
14 acknowledges the importance of continuing the increases in funding for
15 public education mandated by section 17 of article IX of the Colorado

1 Constitution, which ensures year-over-year adjustments to account for
2 inflationary pressures. If the general assembly is unable to fulfill this
3 obligation mandated by section 17 of article IX of the Colorado
4 Constitution, then a group will be formed to address the issue of how to
5 accurately track a potential shortfall to public education funding in the
6 future. This commitment is fundamental to the long-term prosperity and
7 well-being of Colorado's future workforce and economy.

8 (c) The new school finance formula, established by the general
9 assembly to begin in the 2025-26 school year, is designed to prioritize
10 students and equity by directing resources where they are most needed,
11 particularly toward students who face greater challenges in their academic
12 success, including those living in poverty, learning English, and who have
13 special needs. The formula recognizes the diverse needs of Colorado
14 students, including those who live in small, rural, and remote school
15 districts, who may require additional resources to overcome geographic,
16 economic, and logistical barriers to providing a world-class public
17 education.

18 (2) Therefore, it is the intent of the general assembly that this new
19 school finance formula is implemented in a manner that is responsive to
20 the needs of all students and school districts in Colorado while
21 maintaining the long-term financial health of the state education fund and
22 ensuring continued funding stability for future generations of students.

23 **SECTION 2. In Colorado Revised Statutes, add 22-30.5-112.4**
24 **as follows:**

25 **22-30.5-112.4. Charter school alignment with total program**
26 **formula. (1) TO ENSURE THE GENERAL ASSEMBLY'S CONTINUED**
27 **COMMITMENT TO IMPLEMENTING THE NEW SCHOOL FINANCE FORMULA,**

1 THE GENERAL ASSEMBLY SHALL CONSULT A STATEWIDE ASSOCIATION
2 THAT REPRESENTS SCHOOL DISTRICTS AND A STATEWIDE ASSOCIATION
3 THAT REPRESENTS CHARTER SCHOOLS REGARDING THE ALIGNMENT OF
4 CHARTER SCHOOLS INTO THE IMPLEMENTATION OF THE NEW SCHOOL
5 FINANCE FORMULA. THE CONSULTATION MUST INCLUDE AND CONSIDER
6 THE OPINIONS OF DISTRICT CHARTER SCHOOLS, INSTITUTE CHARTER
7 SCHOOLS, AND SUPERINTENDENTS AND CHIEF FINANCIAL OFFICERS OF
8 SMALL RURAL SCHOOL DISTRICTS, RURAL SCHOOL DISTRICTS, AND
9 SUBURBAN SCHOOL DISTRICTS.

10 **SECTION 3.** In Colorado Revised Statutes, 22-30.5-112.2,
11 **amend** (2)(a) and (3); and **add** (2)(c) and (5) as follows:

12 **22-30.5-112.2. Charter schools - at-risk supplemental aid -**
13 **definitions - legislative declaration - repeal.** (2) (a) For the 2012-13
14 budget year ~~and each budget year thereafter~~ THROUGH THE 2024-25
15 BUDGET YEAR, the general assembly shall appropriate to the department
16 of education for allocation to school districts the amount calculated for
17 at-risk supplemental aid for those school districts and district charter
18 schools described in ~~paragraph (b) of this subsection (2)~~ SUBSECTION
19 (2)(b) OF THIS SECTION. FOR THE 2025-26 BUDGET YEAR AND THE 2026-27
20 BUDGET YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE
21 DEPARTMENT OF EDUCATION FOR ALLOCATION TO SCHOOL DISTRICTS THE
22 AMOUNT DETERMINED FOR SUPPLEMENTAL AID FOR THOSE SCHOOL
23 DISTRICTS AND DISTRICT CHARTER SCHOOLS DESCRIBED IN SUBSECTION
24 (2)(c) OF THIS SECTION. The at-risk supplemental aid is additional funding
25 and does not supplant any other funding provided pursuant to this article.

26 (c) FOR THE 2025-26 BUDGET YEAR, EACH SCHOOL DISTRICT AND
27 DISTRICT CHARTER SCHOOL'S AT-RISK SUPPLEMENTAL AID IS THE SAME

1 AMOUNT THAT IT RECEIVED IN THE 2024-25 BUDGET YEAR. FOR THE
2 2026-27 BUDGET YEAR, EACH SCHOOL DISTRICT AND DISTRICT CHARTER
3 SCHOOL'S AT-RISK SUPPLEMENTAL AID IS FIFTY PERCENT OF THE AMOUNT
4 THAT IT RECEIVED IN THE 2024-25 BUDGET YEAR.

5 (3) If the appropriation to the department of education is
6 insufficient to fund ~~one hundred percent~~ of the at-risk supplemental aid
7 ~~calculated pursuant to paragraph (b) of subsection (2)~~ DETERMINED
8 PURSUANT TO SUBSECTION (2) OF THIS SECTION, THE DEPARTMENT OF EDUCATION
9 shall reduce each school district's and each district charter school's at-risk
10 supplemental aid proportionately.

11 (5) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2028.

12 **SECTION 4.** In Colorado Revised Statutes, 22-30.5-513, **amend**
13 (4.5)(a) and (4.5)(d); and **add** (4.5)(b.5) and (4.5)(e) as follows:

14 **22-30.5-513. Institute charter schools - funding - at-risk**
15 **supplemental aid - legislative declaration - definitions - repeal.**

16 (4.5) (a) For the 2012-13 budget year ~~and each budget year thereafter~~
17 THROUGH THE 2024-25 BUDGET YEAR, the general assembly shall
18 appropriate to the charter school institute the amount calculated for at-risk
19 supplemental aid pursuant to ~~paragraph (b) of this subsection (4.5)~~
20 SUBSECTION (4.5)(b) OF THIS SECTION for each institute charter school
21 whose percentage of at-risk pupils is less than the percentage of at-risk
22 pupils in the accounting district. FOR THE 2025-26 BUDGET YEAR AND THE
23 2026-27 BUDGET YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE TO
24 THE CHARTER SCHOOL INSTITUTE FOR ALLOCATION TO INSTITUTE CHARTER
25 SCHOOLS THE AMOUNT DESCRIBED IN SUBSECTION (4.5)(b.5) OF THIS
26 SECTION. At-risk supplemental aid is additional funding and does not
27 supplant any other funding allocated pursuant to this section. The charter

1 school institute shall pass through one hundred percent of an institute
2 charter school's at-risk supplemental aid to the institute charter school.

3 (b.5) FOR THE 2025-26 BUDGET YEAR, EACH INSTITUTE CHARTER
4 SCHOOL'S AT-RISK SUPPLEMENTAL AID IS THE SAME AMOUNT THAT IT
5 RECEIVED IN THE 2024-25 BUDGET YEAR. FOR THE 2026-27 BUDGET YEAR,
6 EACH INSTITUTE CHARTER SCHOOL'S AT-RISK SUPPLEMENTAL AID IS FIFTY
7 PERCENT OF THE AMOUNT THAT IT RECEIVED IN THE 2024-25 BUDGET
8 YEAR.

9 (d) If the appropriation to the charter school institute is
10 insufficient to fund ~~one hundred percent of~~ the at-risk supplemental aid
11 ~~calculated~~ DETERMINED pursuant to this subsection (4.5), the charter
12 school institute shall reduce each institute charter school's at-risk
13 supplemental aid proportionately.

14 (e) THIS SUBSECTION (4.5) IS REPEALED, EFFECTIVE JULY 1, 2028.

15 **SECTION 5.** In Colorado Revised Statutes, **repeal** 22-54-136.

16 **SECTION 6.** In Colorado Revised Statutes, 22-30.5-408, **amend**
17 (2)(a) as follows:

18 **22-30.5-408. Replenishment of qualified charter school debt**
19 **service reserve funds - additional responsibilities - state treasurer -**
20 **qualified charter schools - definitions.** (2) (a) If the Colorado
21 educational and cultural facilities authority has issued qualified charter
22 school bonds on behalf of ~~any~~ A qualified charter school that fails
23 immediately to restore its qualified charter school debt service reserve
24 fund to the applicable qualified charter school debt service reserve fund
25 requirement, the board of directors of the authority shall submit to the
26 governor a certificate certifying ~~any~~ THE amount of money required to
27 restore the qualified charter school debt service reserve fund to the

1 applicable qualified charter school debt service reserve fund requirement.
2 The governor shall submit a request for appropriations in an amount
3 sufficient to restore any or all qualified charter school debt reserve funds
4 to their respective qualified charter school debt service reserve fund
5 requirements, and the general assembly may, but is not required to,
6 appropriate money for ~~said~~ THAT purpose. If, in its sole discretion, the
7 general assembly appropriates any money for ~~said~~ THAT purpose, the
8 aggregate outstanding principal amount of bonds for which money may
9 be appropriated for ~~said~~ THAT purpose must not exceed ~~seven hundred~~
10 ~~fifty million~~ ONE BILLION dollars.

11 **SECTION 7.** In Colorado Revised Statutes, 22-54-103, **add**
12 (1.5)(e) as follows:

13 **22-54-103. Definitions.** As used in this article 54, unless the
14 context otherwise requires:

15 (1.5) (e) FOR PURPOSES OF THIS SUBSECTION (1.5), A PUPIL'S
16 ELIGIBILITY FOR FREE OR REDUCED-PRICE LUNCH MAY BE DEMONSTRATED
17 BY ANY MEANS, INCLUDING IDENTIFICATION THROUGH AN APPLICATION
18 FOR FREE OR REDUCED-PRICE LUNCH PURSUANT TO THE FEDERAL
19 "RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC.
20 1751 ET SEQ. OR COLORADO'S PARTICIPATION IN THE DEMONSTRATION
21 PROJECT OPERATED PURSUANT TO 42 U.S.C. SEC. 1758 (b)(15) FOR DIRECT
22 CERTIFICATION FOR CHILDREN RECEIVING BENEFITS THROUGH MEDICAID.

23 **SECTION 8.** In Colorado Revised Statutes, 22-54-103.2, **amend**
24 (2)(a) and (2)(b) as follows:

25 **22-54-103.2. District total program formula report.** (2) In its
26 report described pursuant to subsection (1) of this section, the department
27 of education shall report, at a minimum, data demonstrating:

1 (a) The successes and challenges of determining a district's total
2 program pursuant to section 22-54-103.3 for reports concerning the
3 2025-26 budget year through the ~~2029-30~~ 2030-31 budget year, and the
4 successes and challenges of determining a district's total program
5 pursuant to section 22-54-103.5 for reports concerning the ~~2030-31~~
6 2031-32 budget year and each budget year thereafter;

7 (b) How district total program, determined pursuant to section
8 22-54-103.3 for reports concerning the 2025-26 budget year through the
9 ~~2029-30~~ 2030-31 budget year and determined pursuant to section
10 22-54-103.5 for reports concerning the ~~2030-31~~ 2031-32 budget year and
11 each budget year thereafter, is being used at the school level, including
12 traditional public schools, district charter schools, and institute charter
13 schools, and information currently reported by the department of
14 education in district performance snapshots; and

15 **SECTION 9.** In Colorado Revised Statutes, 22-54-103.3, **amend**
16 (1)(a), (1)(c), (2), (3), (4), (5)(b)(I) introductory portion, (5)(c)(I)(C), and
17 (6) as follows:

18 **22-54-103.3. District total program - 2025-26 through 2030-31**
19 **budget years - definitions - repeal.** (1) (a) Notwithstanding any
20 provision of law to the contrary, for the 2025-26 budget year through the
21 ~~2029-30~~ 2030-31 budget year, the department of education shall
22 determine each district's total program pursuant to this section. The
23 district's total program is available to the district to fund the costs of
24 providing public education, and, except as otherwise provided in section
25 22-54-105, the district has the discretion to determine the amounts and
26 purposes for budgeting and expending its district total program money.

27 (c) As used in this section, "for the 2025-26 budget year through

1 the ~~2029-30~~ 2030-31 budget year" means the 2025-26 budget year, the
2 2026-27 budget year, the 2027-28 budget year, the 2028-29 budget year,
3 ~~and~~ the 2029-30 budget year, AND THE 2030-31 BUDGET YEAR.

4 (2) For the 2025-26 budget year through the ~~2029-30~~ 2030-31
5 budget year, the department of education shall calculate each district's
6 total program pursuant to sections 22-54-103.5 and 22-54-104.

7 (3) (a) For the 2025-26 budget year, ~~through the 2029-30 budget~~
8 ~~year~~ a district's total program is the greater of the district's total program
9 ~~calculation pursuant to section 22-54-104 plus one-half percent of the~~
10 ~~district's total program calculation pursuant to section 22-54-104; or~~
11 DETERMINATION FOR THE 2024-25 BUDGET YEAR PLUS ONE-HALF
12 PERCENT, OR THE AMOUNT CALCULATED PURSUANT TO SECTION 22-54-104
13 PLUS AN AMOUNT EQUAL TO FIFTEEN PERCENT OF THE DIFFERENCE
14 BETWEEN THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO
15 SECTION 22-54-103.5 AND THE DISTRICT'S TOTAL PROGRAM CALCULATION
16 PURSUANT TO SECTION 22-54-104.

17 (a) ~~For the 2025-26 budget year, the amount calculated pursuant~~
18 ~~to section 22-54-104 plus an amount equal to eighteen percent of the~~
19 ~~difference between the district's total program calculation pursuant to~~
20 ~~section 22-54-103.5 and the district's total program calculation pursuant~~
21 ~~to section 22-54-104;~~

22 (b) ~~For the 2026-27 budget year, the amount calculated pursuant~~
23 ~~to section 22-54-104 plus an amount equal to thirty-four percent of the~~
24 ~~difference between the district's total program calculation pursuant to~~
25 ~~section 22-54-103.5 and the district's total program calculation pursuant~~
26 ~~to section 22-54-104~~ FOR THE 2026-27 BUDGET YEAR, A DISTRICT'S TOTAL
27 PROGRAM IS THE GREATER OF THE DISTRICT'S TOTAL PROGRAM

1 DETERMINATION FOR THE 2024-25 BUDGET YEAR PLUS ONE-HALF
2 PERCENT, OR THE AMOUNT CALCULATED PURSUANT TO SECTION 22-54-104
3 PLUS AN AMOUNT EQUAL TO THIRTY PERCENT OF THE DIFFERENCE
4 BETWEEN THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO
5 SECTION 22-54-103.5 AND THE DISTRICT'S TOTAL PROGRAM CALCULATION
6 PURSUANT TO SECTION 22-54-104.

7 (c) For the 2027-28 budget year THROUGH THE 2030-31 BUDGET
8 YEAR, ~~the amount calculated pursuant to section 22-54-104 plus an~~
9 ~~amount equal to fifty percent of the difference between the district's total~~
10 ~~program calculation pursuant to section 22-54-103.5 and the district's~~
11 ~~total program calculation pursuant to section 22-54-104~~ A DISTRICT'S
12 TOTAL PROGRAM IS THE GREATER OF THE DISTRICT'S TOTAL PROGRAM
13 CALCULATION PURSUANT TO SECTION 22-54-104 PLUS ONE PERCENT OF
14 THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO SECTION
15 22-54-104, OR:

16 ~~(c)~~ (I) For the 2027-28 budget year, the amount calculated
17 pursuant to section 22-54-104 plus an amount equal to ~~fifty~~ FORTY-FIVE
18 percent of the difference between the district's total program calculation
19 pursuant to section 22-54-103.5 and the district's total program
20 calculation pursuant to section 22-54-104;

21 ~~(d)~~ (II) For the 2028-29 budget year, the amount calculated
22 pursuant to section 22-54-104 plus an amount equal to ~~sixty-six~~ SIXTY
23 percent of the difference between the district's total program calculation
24 pursuant to section 22-54-103.5 and the district's total program
25 calculation pursuant to section 22-54-104; ~~and~~

26 ~~(e)~~ (III) For the 2029-30 budget year, the amount calculated
27 pursuant to section 22-54-104 plus an amount equal to ~~eighty-two~~

1 SEVENTY-FIVE percent of the difference between the district's total
2 program calculation pursuant to section 22-54-103.5 and the district's
3 total program calculation pursuant to section 22-54-104; AND

4 (IV) FOR THE 2030-31 BUDGET YEAR, THE AMOUNT CALCULATED
5 PURSUANT TO SECTION 22-54-104 PLUS AN AMOUNT EQUAL TO NINETY
6 PERCENT OF THE DIFFERENCE BETWEEN THE DISTRICT'S TOTAL PROGRAM
7 CALCULATION PURSUANT TO SECTION 22-54-103.5 AND THE DISTRICT'S
8 TOTAL PROGRAM CALCULATION PURSUANT TO SECTION 22-54-104.

9 (4) For the 2024-25 budget year through the ~~2029-30~~ 2030-31
10 budget year, the joint budget committee shall monitor the fiscal impact of
11 the district total program determinations pursuant to this section and the
12 fiscal impact of the transition to the total program formula pursuant to
13 section 22-54-103.5. At a minimum, the joint budget committee shall
14 consider immediate and forecasted economic conditions, the impact or
15 trend of the statewide total local share of total program funding, the
16 impact or trend of the state education fund, and any other data-driven
17 considerations necessary to ensure the sustainable transition to and
18 implementation of a new total program formula. The joint budget
19 committee and the general assembly may take action necessary to ensure
20 the sustainable transition to and implementation of a new total program
21 formula. On or after January 1, 2025, when the department of education
22 makes mid-year adjustments, the joint budget committee shall develop a
23 sustainability plan that makes findings and recommendations regarding
24 how the general assembly can fully fund total program determinations
25 pursuant to sections 22-54-103.3 and 22-54-103.5. On or after January 1,
26 2026, and on or after January 1 each year thereafter, when the department
27 of education makes mid-year adjustments, the joint budget committee

1 shall review the sustainability plan and update it as necessary.

2 (5) (b) (I) Notwithstanding any provision of this article 54, for the
3 2024-25 budget year through the ~~2029-30~~ 2030-31 budget year, if the
4 joint budget committee determines that any one of the conditions
5 described in subsection (5)(c) of this section occurred:

6 (c) (I) The requirements described in subsection (5)(b) of this
7 section are initiated if:

8 (C) In either an assessment year or a non-assessment year, the
9 March revenue forecast relied on by the general assembly in setting the
10 budget for the next state fiscal year estimates that the income tax
11 ~~diversion~~ DEPOSIT to the state education fund, as required pursuant to
12 section 17 of article IX of the state constitution, will decrease by five
13 percent or more in either the current budget year or the next budget year.
14 IF THE JOINT BUDGET COMMITTEE DETERMINES BASED ON FORECAST
15 ESTIMATES, AS DESCRIBED IN THIS SUBSECTION (5)(c)(I)(C), THAT THE
16 INCOME TAX DEPOSIT TO THE STATE EDUCATION FUND WILL DECREASE BY
17 FIVE PERCENT OR MORE IN EITHER THE CURRENT BUDGET YEAR OR THE
18 NEXT BUDGET YEAR AS A RESULT OF A CORRECTION TO AN ERROR IN THE
19 TOTAL AMOUNT OF STATE EDUCATION FUND REVENUES DEPOSITED AS SET
20 FORTH IN SECTION 22-55-103 (2), THEN THIS SUBSECTION (5)(c)(I)(C)
21 DOES NOT INITIATE THE REQUIREMENTS OF SUBSECTION (5)(b) OF THIS
22 SECTION.

23 (6) This section is repealed, effective ~~July 1, 2031~~ JULY 1, 2032.

24 **SECTION 10. In Colorado Revised Statutes, add 22-54-103.4 as**
25 **follows:**

26 **22-54-103.4. Kids matter fund - definition. (1) AS USED IN THIS**
27 **SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "FUND" MEANS THE**

1 KIDS MATTER FUND CREATED IN SUBSECTION (2) OF THIS SECTION.

2 (2) (a) (I) THE KIDS MATTER FUND IS CREATED IN THE STATE
3 TREASURY. BEGINNING JULY 1, 2026, ALL STATE REVENUES COLLECTED
4 FROM AN EXISTING TAX ON THREE-FOURTHS OF ONE-TENTH OF ONE
5 PERCENT ON FEDERAL TAXABLE INCOME, AS MODIFIED BY LAW, OF EVERY
6 INDIVIDUAL, ESTATE, TRUST, AND CORPORATION, AS DEFINED IN LAW, AS
7 CALCULATED PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION, MUST BE
8 DEPOSITED IN THE FUND BY THE STATE TREASURER.

9 (II) THE FUND CONSISTS OF MONEY DEPOSITED INTO THE FUND
10 PURSUANT TO SUBSECTION (2)(a)(I) OF THIS SECTION; ANY MONEY
11 APPROPRIATED TO THE FUND BY THE GENERAL ASSEMBLY; AND ANY GIFTS,
12 GRANTS, OR DONATIONS FROM ANY PUBLIC OR PRIVATE SOURCES THAT THE
13 DEPARTMENT OF EDUCATION IS AUTHORIZED TO SEEK AND ACCEPT.

14 (III) ANY MONEY NOT EXPENDED OR ENCUMBERED, AND ALL
15 INTEREST EARNED ON THE INVESTMENT OR DEPOSIT OF MONEY IN THE
16 FUND, REMAINS IN THE FUND AND DOES NOT REVERT TO THE GENERAL
17 FUND OR ANY OTHER FUND AT THE END OF ANY STATE FISCAL YEAR.

18 (b) (I) FOR THE 2026-27 STATE FISCAL YEAR, AND EACH STATE
19 FISCAL YEAR THEREAFTER, THE LEGISLATIVE COUNCIL STAFF, IN
20 CONSULTATION WITH THE OFFICE OF STATE PLANNING AND BUDGETING,
21 SHALL CALCULATE THE AMOUNT OF REVENUES TO BE DEPOSITED IN THE
22 FUND. THE LEGISLATIVE COUNCIL STAFF AND THE OFFICE OF STATE
23 PLANNING AND BUDGETING SHALL RELY ON THE QUARTERLY STATE
24 REVENUE ESTIMATES ISSUED BY THE LEGISLATIVE COUNCIL STAFF IN
25 CALCULATING THE AMOUNTS AND SHALL UPDATE THE CALCULATIONS NOT
26 LATER THAN FIVE DAYS AFTER THE ISSUANCE OF EACH QUARTERLY STATE
27 REVENUE ESTIMATE.

1 (II) TO ENSURE THAT ALL FUND REVENUES ARE TRANSFERRED TO
2 THE FUND AND THAT OTHER STATE REVENUES ARE NOT ERRONEOUSLY
3 TRANSFERRED TO THE FUND:

4 (A) NO LATER THAN TWO DAYS AFTER CALCULATING OR
5 RECALCULATING THE AMOUNT OF FUND REVENUES FOR THE APPLICABLE
6 STATE FISCAL YEAR, THE LEGISLATIVE COUNCIL STAFF, IN CONSULTATION
7 WITH THE OFFICE OF STATE PLANNING AND BUDGETING, SHALL CERTIFY TO
8 THE DEPARTMENT OF REVENUE THE AMOUNT OF FUND REVENUES THAT
9 THE DEPARTMENT OF REVENUE SHALL TRANSFER TO THE STATE
10 TREASURER FOR DEPOSIT INTO THE FUND ON THE FIRST BUSINESS DAY OF
11 EACH OF THE THREE SUCCEEDING CALENDAR MONTHS AS REQUIRED BY
12 SUBSECTION (2)(b)(III) OF THIS SECTION;

13 (B) NOTWITHSTANDING SUBSECTION (2)(b)(II)(A) OF THIS
14 SECTION, NO LATER THAN MAY 25, 2027, AND NO LATER THAN MAY 25 OF
15 EACH STATE FISCAL YEAR THEREAFTER, THE LEGISLATIVE COUNCIL STAFF,
16 IN CONSULTATION WITH THE OFFICE OF STATE PLANNING AND BUDGETING,
17 MAY CERTIFY TO THE DEPARTMENT OF REVENUE AN ADJUSTED AMOUNT
18 FOR ANY TRANSFER TO BE MADE ON THE FIRST BUSINESS DAY OF THE
19 IMMEDIATELY SUCCEEDING JUNE; AND

20 (C) SUBJECT TO REVIEW BY THE STATE AUDITOR, THE LEGISLATIVE
21 COUNCIL STAFF, IN CONSULTATION WITH THE OFFICE OF STATE PLANNING
22 AND BUDGETING, MAY CORRECT ANY ERROR IN THE TOTAL AMOUNT OF
23 REVENUES TRANSFERRED DURING ANY STATE FISCAL YEAR BY ADJUSTING
24 THE AMOUNT OF ANY TRANSFER TO BE MADE DURING THE NEXT STATE
25 FISCAL YEAR.

26 (III) BEGINNING ON JULY 1, 2026, AND ON THE FIRST BUSINESS
27 DAY OF EACH CALENDAR MONTH AFTER JULY 1, 2026, THE DEPARTMENT

1 OF REVENUE SHALL TRANSFER TO THE STATE TREASURER FOR DEPOSIT
2 INTO THE FUND REVENUES IN AN AMOUNT CERTIFIED TO THE DEPARTMENT
3 OF REVENUE BY THE LEGISLATIVE COUNCIL STAFF, IN CONSULTATION WITH
4 THE OFFICE OF STATE PLANNING AND BUDGETING, PURSUANT TO
5 SUBSECTIONS (2)(b)(II)(A) AND (2)(b)(II)(B) OF THIS SECTION.

6 (c) (I) FOR THE 2026-27 STATE FISCAL YEAR THROUGH THE
7 2029-30 STATE FISCAL YEARS, THE MONEY IN THE FUND IS SUBJECT TO
8 ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE
9 DEPARTMENT OF EDUCATION ONLY FOR THE PURPOSES OF FUNDING THE
10 STATE'S SHARE OF DISTRICT TOTAL PROGRAM AS DETERMINED PURSUANT
11 TO SECTION 22-54-103.3.

12 (II) FOR THE 2030-31 STATE FISCAL YEAR AND EACH STATE FISCAL
13 YEAR THEREAFTER, THE MONEY IN THE FUND IS SUBJECT TO ANNUAL
14 APPROPRIATION BY THE GENERAL ASSEMBLY TO THE DEPARTMENT OF
15 EDUCATION ONLY FOR THE PURPOSE OF FUNDING:

16 (A) STATEWIDE BASE PER PUPIL FUNDING; AND

17 (B) TOTAL STATE FUNDING FOR ALL CATEGORICAL PROGRAMS, AS
18 DEFINED PURSUANT TO SECTION 22-55-102.

19 **SECTION 11.** In Colorado Revised Statutes, 22-54-103.5,
20 **amend** (1)(a), (1)(c)(I), (1)(c)(III), (4), (12)(d), and (12)(e); and **add** (3),
21 (13)(b.5), and (14) as follows:

22 **22-54-103.5. District total program - rules - legislative**
23 **declaration - repeal.** (1) (a) For the ~~2030-31~~ 2031-32 budget year and
24 each budget year thereafter, the department of education shall use this
25 section to determine each district's total program. The district's total
26 program is available to the district to fund the costs of providing public
27 education, and, except as otherwise provided in section 22-54-105, the

1 district has the discretion to determine the amounts and purposes for
2 budgeting and expending its district total program money.

3 (c) (I) Notwithstanding any provision of law to the contrary, for
4 the 2025-26 budget year through the ~~2029-30~~ 2030-31 budget year, the
5 department of education shall calculate each district's total program
6 pursuant to this section for the purpose of determining each district's total
7 program pursuant to section 22-54-103.3. The district's total program is
8 available to the district to fund the costs of providing public education,
9 and, except as otherwise provided in section 22-54-105, the district has
10 the discretion to determine the amounts and purposes for budgeting and
11 expending its district total program money.

12 (III) This subsection (1)(c) is repealed, effective ~~July 1, 2031~~ JULY
13 1, 2032.

14 (3) **Statewide base per pupil funding.** (a) (I) FOR THE 2025-26
15 BUDGET YEAR, THE STATEWIDE BASE PER PUPIL FUNDING IS EIGHT
16 THOUSAND SIX HUNDRED NINETY-ONE DOLLARS AND EIGHTY CENTS
17 (\$8,691.80), WHICH IS AN AMOUNT EQUAL TO EIGHT THOUSAND FOUR
18 HUNDRED NINETY-SIX DOLLARS AND THIRTY-EIGHT CENTS (\$8,496.38),
19 SUPPLEMENTED BY ONE HUNDRED NINETY-FIVE DOLLARS AND FORTY-TWO
20 CENTS (\$195.42) TO ACCOUNT FOR INFLATION.

21 (II) THIS SUBSECTION (3)(a) IS REPEALED, EFFECTIVE JULY 1, 2031.

22 (b) (RESERVED)

23 (4) **Funded pupil count.** Funded pupil count is:

24 (a) (I) FOR THE 2025-26 BUDGET YEAR, the district's online pupil
25 enrollment for the applicable budget year plus the district's supplemental
26 kindergarten enrollment for the applicable budget year plus the district's
27 extended high school pupil enrollment for the applicable budget year plus

1 the greater of:

2 ~~(H)~~ (A) The district's pupil enrollment for the applicable budget
3 year;

4 ~~(H)~~ (B) The average of the district's pupil enrollment for the
5 applicable budget year and the district's pupil enrollment for the
6 immediately preceding budget year;

7 ~~(H)~~ (C) The average of the district's pupil enrollment for the
8 applicable budget year and the district's pupil enrollment for the two
9 immediately preceding budget years; or

10 ~~(IV)~~ (D) The average of the district's pupil enrollment for the
11 applicable budget year and the district's pupil enrollment for the three
12 immediately preceding budget years.

13 ~~(b)(H)~~ (II) Notwithstanding any provision of law to the contrary,
14 for purposes of THIS subsection (4)(a), ~~of this section~~, a district's funded
15 pupil count includes the certified pupil enrollment and online pupil
16 enrollment of each operating institute charter school for which the district
17 is the accounting district, as provided pursuant to ~~subsections (4)(b)(H)~~
18 ~~and (4)(b)(H)~~ SUBSECTIONS (4)(a)(III) AND (4)(a)(IV) of this section. The
19 department of education shall add the institute charter school's certified
20 pupil enrollment and online pupil enrollment to the funded pupil count of
21 the district prior to calculating the district's total program pursuant to this
22 section.

23 ~~(H)~~ (III) For purposes of ~~subsection (4)(b)(I)~~ SUBSECTION
24 (4)(a)(II) of this section, each operating institute charter school's certified
25 pupil enrollment is the greater of:

26 (A) The operating institute charter school's pupil enrollment for
27 the applicable budget year;

1 (B) The average of the operating institute charter school's pupil
2 enrollment for the applicable budget year and the operating institute
3 charter school's pupil enrollment for the immediately preceding budget
4 year;

5 (C) The average of the operating institute charter school's pupil
6 enrollment for the applicable budget year and the operating institute
7 charter school's pupil enrollment for the two immediately preceding
8 budget years; or

9 (D) The average of the operating institute charter school's pupil
10 enrollment for the applicable budget year and the operating institute
11 charter school's pupil enrollment for the three immediately preceding
12 budget years.

13 ~~(HH)~~ (IV) Notwithstanding any provision of law to the contrary,
14 for purposes of ~~subsection (4)(b)(H)~~ SUBSECTION (4)(a)(III) of this
15 section, an operating institute charter school's pupil enrollment includes
16 its online student enrollment, except for multi-district online school
17 student enrollment.

18 ~~(e)~~ (V) The general assembly finds and declares that for the
19 purposes of section 17 of article IX of the state constitution, averaging a
20 district's pupil enrollment for the applicable budget year and the district's
21 pupil enrollment for the three immediately preceding budget years
22 pursuant to this ~~subsection (4)~~ SUBSECTION (4)(a), and averaging an
23 operating institute charter school's student enrollment and online pupil
24 enrollment pursuant to this ~~subsection (4)~~ SUBSECTION (4)(a), is a
25 program for accountable education reform and may therefore receive
26 funding from the state education fund created in section 17 (4) of article
27 IX of the state constitution.

1 ~~(d) (F)~~ (VI) (A) Notwithstanding any provision of law to the
2 contrary, for the purposes of this ~~subsection (4)~~ SUBSECTION (4)(a), a
3 district's pupil enrollment for the applicable budget year and a district's
4 pupil enrollment for a preceding budget year do not include a pupil who
5 is or was enrolled in a charter school that was originally authorized by the
6 district but was subsequently converted, on or after July 1, 2010, to an
7 institute charter school or to a charter school of a district contiguous to
8 the ~~originally~~ ORIGINAL authorizing district.

9 ~~(H)~~ (B) Notwithstanding any provision of this ~~subsection (4)~~
10 SUBSECTION (4)(a) to the contrary, for the purposes of this ~~subsection (4)~~
11 SUBSECTION (4)(a), if a district's funded pupil count calculated pursuant
12 to this ~~subsection (4)~~ SUBSECTION (4)(a), for a budget year is fewer than
13 sixty students, the district's funded pupil count for the budget year is sixty
14 students.

15 (b) (I) FOR THE 2026-27 BUDGET YEAR, AND EACH BUDGET YEAR
16 THEREAFTER, THE DISTRICT'S ONLINE PUPIL ENROLLMENT FOR THE
17 APPLICABLE BUDGET YEAR PLUS THE DISTRICT'S SUPPLEMENTAL
18 KINDERGARTEN ENROLLMENT FOR THE APPLICABLE BUDGET YEAR PLUS
19 THE DISTRICT'S EXTENDED HIGH SCHOOL PUPIL ENROLLMENT FOR THE
20 APPLICABLE BUDGET YEAR PLUS THE GREATER OF:

21 (A) THE DISTRICT'S PUPIL ENROLLMENT FOR THE APPLICABLE
22 BUDGET YEAR;

23 (B) THE AVERAGE OF THE DISTRICT'S PUPIL ENROLLMENT FOR THE
24 APPLICABLE BUDGET YEAR AND THE DISTRICT'S PUPIL ENROLLMENT FOR
25 THE IMMEDIATELY PRECEDING BUDGET YEAR; OR

26 (C) THE AVERAGE OF THE DISTRICT'S PUPIL ENROLLMENT FOR THE
27 APPLICABLE BUDGET YEAR AND THE DISTRICT'S PUPIL ENROLLMENT FOR

1 THE TWO IMMEDIATELY PRECEDING BUDGET YEARS.

2 (II) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
3 CONTRARY, FOR PURPOSES OF THIS SUBSECTION (4)(b), A DISTRICT'S
4 FUNDED PUPIL COUNT INCLUDES THE CERTIFIED PUPIL ENROLLMENT AND
5 ONLINE PUPIL ENROLLMENT OF EACH OPERATING INSTITUTE CHARTER
6 SCHOOL FOR WHICH THE DISTRICT IS THE ACCOUNTING DISTRICT, AS
7 PROVIDED PURSUANT TO SUBSECTIONS (4)(b)(III) AND (4)(b)(IV) OF THIS
8 SECTION. THE DEPARTMENT OF EDUCATION SHALL ADD THE INSTITUTE
9 CHARTER SCHOOL'S CERTIFIED PUPIL ENROLLMENT AND ONLINE PUPIL
10 ENROLLMENT TO THE FUNDED PUPIL COUNT OF THE DISTRICT PRIOR TO
11 CALCULATING THE DISTRICT'S TOTAL PROGRAM PURSUANT TO THIS
12 SECTION.

13 (III) FOR PURPOSES OF SUBSECTION (4)(b)(II) OF THIS SECTION,
14 EACH OPERATING INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL
15 ENROLLMENT IS THE GREATER OF:

16 (A) THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL
17 ENROLLMENT FOR THE APPLICABLE BUDGET YEAR;

18 (B) THE AVERAGE OF THE OPERATING INSTITUTE CHARTER
19 SCHOOL'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND
20 THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR
21 THE IMMEDIATELY PRECEDING BUDGET YEAR; AND

22 (C) THE AVERAGE OF THE OPERATING INSTITUTE CHARTER
23 SCHOOL'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND
24 THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR
25 THE TWO IMMEDIATELY PRECEDING BUDGET YEARS.

26 (IV) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
27 CONTRARY, FOR PURPOSES OF SUBSECTION (4)(b)(III) OF THIS SECTION, AN

1 OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT INCLUDES
2 ITS ONLINE STUDENT ENROLLMENT, EXCEPT FOR MULTI-DISTRICT ONLINE
3 SCHOOL STUDENT ENROLLMENT.

4 (V) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT FOR THE
5 PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION,
6 AVERAGING A DISTRICT'S PUPIL ENROLLMENT FOR THE APPLICABLE
7 BUDGET YEAR AND THE DISTRICT'S PUPIL ENROLLMENT FOR THE TWO
8 IMMEDIATELY PRECEDING BUDGET YEARS PURSUANT TO THIS SUBSECTION
9 (4)(b), AND AVERAGING AN OPERATING INSTITUTE CHARTER SCHOOL'S
10 STUDENT ENROLLMENT AND ONLINE PUPIL ENROLLMENT PURSUANT TO
11 THIS SUBSECTION (4)(b), IS A PROGRAM FOR ACCOUNTABLE EDUCATION
12 REFORM AND MAY THEREFORE RECEIVE FUNDING FROM THE STATE
13 EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE
14 STATE CONSTITUTION.

15 (VI) (A) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
16 CONTRARY, FOR THE PURPOSES OF THIS SUBSECTION (4)(b), A DISTRICT'S
17 PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND A DISTRICT'S
18 PUPIL ENROLLMENT FOR A PRECEDING BUDGET YEAR DO NOT INCLUDE A
19 PUPIL WHO IS OR WAS ENROLLED IN A CHARTER SCHOOL THAT WAS
20 ORIGINALLY AUTHORIZED BY THE DISTRICT BUT WAS SUBSEQUENTLY
21 CONVERTED, ON OR AFTER JULY 1, 2010, TO AN INSTITUTE CHARTER
22 SCHOOL OR TO A CHARTER SCHOOL OF A DISTRICT CONTIGUOUS TO THE
23 ORIGINAL AUTHORIZING DISTRICT.

24 (B) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION
25 (4)(b) TO THE CONTRARY, FOR THE PURPOSES OF THIS SUBSECTION (4)(b),
26 IF A DISTRICT'S FUNDED PUPIL COUNT CALCULATED PURSUANT TO THIS
27 SUBSECTION (4)(b) FOR A BUDGET YEAR IS FEWER THAN SIXTY STUDENTS,

1 THE DISTRICT'S FUNDED PUPIL COUNT FOR THE BUDGET YEAR IS SIXTY
2 STUDENTS.

3 (c) NOTWITHSTANDING SUBSECTIONS (4)(a) AND (4)(b) OF THIS
4 SECTION, IF, FOR THE 2026-27 BUDGET YEAR, EACH DISTRICT'S TOTAL
5 PROGRAM IS NOT DETERMINED PURSUANT TO SECTION 22-54-103.3 (3)(b),
6 THEN FUNDED PUPIL COUNT IS DETERMINED PURSUANT TO SUBSECTION
7 (4)(a) OF THIS SECTION FOR THE 2026-27 BUDGET YEAR AND EACH BUDGET
8 YEAR THEREAFTER.

9 (d) (I) NOTWITHSTANDING SUBSECTION (4)(b) OF THIS SECTION, IF
10 THE STATE EDUCATION FUND BALANCE IS PROJECTED TO BE LESS THAN
11 TWO HUNDRED MILLION DOLLARS AS OF JUNE 30, 2027, BASED ON
12 INFORMATION CONTAINED IN THE MARCH 2027 REVENUE FORECAST
13 PREPARED BY THE LEGISLATIVE COUNCIL STAFF, THEN FOR THE 2027-28
14 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, THE GENERAL
15 ASSEMBLY SHALL IMPLEMENT A SMOOTHING FACTOR OR THE FUNDED
16 PUPIL COUNT IS THE DISTRICT'S ONLINE PUPIL ENROLLMENT FOR THE
17 APPLICABLE BUDGET YEAR PLUS THE DISTRICT'S SUPPLEMENTAL
18 KINDERGARTEN ENROLLMENT FOR THE APPLICABLE BUDGET YEAR PLUS
19 THE DISTRICT'S EXTENDED HIGH SCHOOL PUPIL ENROLLMENT FOR THE
20 APPLICABLE BUDGET YEAR PLUS THE GREATER OF:

21 (A) THE DISTRICT'S PUPIL ENROLLMENT FOR THE APPLICABLE
22 BUDGET YEAR; OR

23 (B) THE AVERAGE OF THE DISTRICT'S PUPIL ENROLLMENT FOR THE
24 APPLICABLE BUDGET YEAR AND THE DISTRICT'S PUPIL ENROLLMENT FOR
25 THE IMMEDIATELY PRECEDING BUDGET YEAR.

26 (I.5) IF THE GENERAL ASSEMBLY IS REQUIRED TO IMPLEMENT A
27 SMOOTHING FACTOR PURSUANT TO SUBSECTION (4)(d)(I) OF THIS SECTION,

1 THEN PRIOR TO THE SMOOTHING FACTOR'S IMPLEMENTATION, THE
2 GENERAL ASSEMBLY SHALL CONSULT A STATEWIDE ASSOCIATION THAT
3 REPRESENTS SCHOOL DISTRICTS REGARDING THE DEVELOPMENT AND
4 IMPLEMENTATION OF A SMOOTHING FACTOR. THE CONSULTATION MUST
5 INCLUDE AND CONSIDER THE OPINIONS OF SUPERINTENDENTS AND CHIEF
6 FINANCIAL OFFICERS OF SMALL RURAL SCHOOL DISTRICTS, RURAL SCHOOL
7 DISTRICTS, SUBURBAN SCHOOL DISTRICTS, AND URBAN SCHOOL DISTRICTS.

8 (II) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
9 CONTRARY, FOR PURPOSES OF THIS SUBSECTION (4)(d), A DISTRICT'S
10 FUNDED PUPIL COUNT INCLUDES THE CERTIFIED PUPIL ENROLLMENT AND
11 ONLINE PUPIL ENROLLMENT OF EACH OPERATING INSTITUTE CHARTER
12 SCHOOL FOR WHICH THE DISTRICT IS THE ACCOUNTING DISTRICT, AS
13 PROVIDED PURSUANT TO SUBSECTIONS (4)(d)(III) AND (4)(d)(IV) OF THIS
14 SECTION. THE DEPARTMENT OF EDUCATION SHALL ADD THE INSTITUTE
15 CHARTER SCHOOL'S CERTIFIED PUPIL ENROLLMENT AND ONLINE PUPIL
16 ENROLLMENT TO THE FUNDED PUPIL COUNT OF THE DISTRICT PRIOR TO
17 CALCULATING THE DISTRICT'S TOTAL PROGRAM PURSUANT TO THIS
18 SECTION.

19 (III) FOR PURPOSES OF SUBSECTION (4)(d)(II) OF THIS SECTION,
20 EACH OPERATING INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL
21 ENROLLMENT IS THE GREATER OF:

22 (A) THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL
23 ENROLLMENT FOR THE APPLICABLE BUDGET YEAR; OR

24 (B) THE AVERAGE OF THE OPERATING INSTITUTE CHARTER
25 SCHOOL'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND
26 THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR
27 THE IMMEDIATELY PRECEDING BUDGET YEAR.

1 (IV) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
2 CONTRARY, FOR PURPOSES OF SUBSECTION (4)(d)(III) OF THIS SECTION, AN
3 OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT INCLUDES
4 ITS ONLINE STUDENT ENROLLMENT, EXCEPT FOR MULTI-DISTRICT ONLINE
5 SCHOOL STUDENT ENROLLMENT.

6 (V) (A) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
7 CONTRARY, FOR THE PURPOSES OF THIS SUBSECTION (4)(d), A DISTRICT'S
8 PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR DOES NOT
9 INCLUDE A PUPIL WHO IS OR WAS ENROLLED IN A CHARTER SCHOOL THAT
10 WAS ORIGINALLY AUTHORIZED BY THE DISTRICT BUT WAS SUBSEQUENTLY
11 CONVERTED, ON OR AFTER JULY 1, 2010, TO AN INSTITUTE CHARTER
12 SCHOOL OR TO A CHARTER SCHOOL OF A DISTRICT CONTIGUOUS TO THE
13 ORIGINAL AUTHORIZING DISTRICT.

14 (B) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION
15 (4)(d) TO THE CONTRARY, FOR THE PURPOSES OF THIS SUBSECTION (4)(d),
16 IF A DISTRICT'S FUNDED PUPIL COUNT CALCULATED PURSUANT TO THIS
17 SUBSECTION (4)(d) FOR A BUDGET YEAR IS FEWER THAN SIXTY STUDENTS,
18 THE DISTRICT'S FUNDED PUPIL COUNT FOR THE BUDGET YEAR IS SIXTY
19 STUDENTS.

20 (e) IF THE DEPARTMENT OF EDUCATION DETERMINES THAT A
21 DISTRICT'S PUPIL ENROLLMENT OR OPERATING INSTITUTE CHARTER
22 SCHOOL'S PUPIL ENROLLMENT FOR A PRECEDING BUDGET YEAR INCLUDED
23 PUPILS WHO WERE NOT REPORTED AS MULTI-DISTRICT ONLINE PUPILS, BUT
24 WERE DETERMINED BY THE DEPARTMENT OF EDUCATION TO HAVE BEEN
25 EDUCATED IN A SETTING THAT WAS EQUIVALENT TO A MULTI-DISTRICT
26 ONLINE PROGRAM, THE DEPARTMENT OF EDUCATION SHALL USE THE
27 ADJUSTED DISTRICT PUPIL ENROLLMENT OR OPERATING INSTITUTE

1 CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THAT PRECEDING BUDGET
2 YEAR WHEN DETERMINING FUNDED PUPIL COUNT PURSUANT TO THIS
3 SUBSECTION (4).

4 (12) **District locale factor funding.** (d) A district's classification,
5 as described pursuant to subsection (12)(b) or (12)(c) of this section, is
6 determined by ~~the latest classifications or classification criteria issued by~~
7 ~~the national center for education statistics in the institute of education~~
8 ~~sciences of the United States department of education~~ EDUCATION'S
9 LATEST CLASSIFICATION CRITERIA OR THE CLASSIFICATION CRITERIA
10 ISSUED IMMEDIATELY PRIOR TO THE LATEST CLASSIFICATION CRITERIA,
11 WHICHEVER IS THE GREATER PERCENTAGE.

12 (e) (I) Notwithstanding subsection (12)(d) of this section, if a
13 district does not align with a classification issued by the national center
14 for education statistics, the department of education shall designate the
15 district's locale factor based on considerations that align it with a similarly
16 situated district that has a classification issued by the national center for
17 education statistics. If the department of education is required to
18 designate the district's locale factor pursuant to this subsection (12)(e), the
19 department of education shall consult with legislative counsel staff
20 concerning the adjustment for any information necessary to make an
21 appropriate designation.

22 (II) FOR PURPOSES OF THIS SUBSECTION (12)(e), THE DEPARTMENT
23 MAY EXCLUDE FROM THE DISTRICT'S FUNDED PUPIL COUNT THAT IS USED
24 TO DETERMINE A DISTRICT'S LOCALE FACTOR PURSUANT TO SUBSECTION
25 (12)(b) OF THIS SECTION THE NUMBER OF PUPILS ON THE PUPIL
26 ENROLLMENT COUNT DAY WITHIN THE APPLICABLE BUDGET YEAR
27 ENROLLED IN, ATTENDING, AND ACTIVELY PARTICIPATING IN A

1 MULTI-DISTRICT ONLINE SCHOOL, AS DEFINED IN SECTION 22-30.7-102,
2 CREATED PURSUANT TO ARTICLE 30.7 OF THIS TITLE 22.

3 (13) **District size factor funding.** (b.5) FOR PURPOSES OF
4 SUBSECTION (13)(b)(I) THROUGH (13)(b)(VI) OF THIS SECTION, A
5 DISTRICT'S FUNDED PUPIL COUNT DOES NOT INCLUDE THE NUMBER OF
6 PUPILS, ON THE PUPIL ENROLLMENT COUNT DAY WITHIN THE APPLICABLE
7 BUDGET YEAR, THE NUMBER OF PUPILS ENROLLED IN, ATTENDING, AND
8 ACTIVELY PARTICIPATING IN A MULTI-DISTRICT ONLINE SCHOOL, AS
9 DEFINED IN SECTION 22-30.7-102, CREATED PURSUANT TO ARTICLE 30.7
10 OF THIS TITLE 22.

11 (14) **Total program funding.** (a) (I) FOR THE 2025-26 BUDGET
12 YEAR, THE DEPARTMENT OF EDUCATION AND THE STAFF OF THE
13 LEGISLATIVE COUNCIL SHALL DETERMINE, BASED ON BUDGET
14 PROJECTIONS, THE AMOUNT TO ENSURE THAT FOR THE 2025-26 BUDGET
15 YEAR, THE SUM OF TOTAL PROGRAM FUNDING FOR ALL DISTRICTS,
16 INCLUDING FUNDING FOR INSTITUTE CHARTER SCHOOLS, IS AT LEAST
17 TEN BILLION THIRTY-FIVE MILLION SEVEN HUNDRED TEN THOUSAND EIGHT
18 HUNDRED SIXTEEN DOLLARS (\$10,035,710,816); EXCEPT THAT THE
19 DEPARTMENT OF EDUCATION AND THE STAFF OF THE LEGISLATIVE COUNCIL
20 SHALL MAKE MID-YEAR REVISIONS TO REPLACE PROJECTIONS WITH
21 ACTUAL FIGURES, INCLUDING ACTUAL PUPIL ENROLLMENT, ASSESSED
22 VALUATIONS, AND SPECIFIC OWNERSHIP TAX REVENUE FROM THE PRIOR
23 YEAR, TO DETERMINE ANY NECESSARY CHANGES IN THE AMOUNT TO
24 MAINTAIN TOTAL PROGRAM FUNDING FOR THE APPLICABLE BUDGET YEAR.

25 (II) THIS SUBSECTION (14)(a) IS REPEALED, EFFECTIVE JULY 1,
26 2031.

27 (b) (RESERVED)

1 **SECTION 12.** In Colorado Revised Statutes, 22-54-104, **amend**
2 (1)(c)(I) and (8); and **add** (7)(i) and (7)(j) as follows:

3 **22-54-104. District total program - legislative declaration -**
4 **definitions - repeal.** (1) (c) (I) Notwithstanding any provision of law to
5 the contrary, for the 2025-26 budget year through the ~~2029-30~~ 2030-31
6 budget year, the department of education shall calculate each district's
7 total program pursuant to this section for the purpose of determining each
8 district's total program pursuant to section 22-54-103.3. The district's total
9 program is available to the district to fund the costs of providing public
10 education, and, except as otherwise provided in section 22-54-105, the
11 district has the discretion to determine the amounts and purposes for
12 budgeting and expending its district total program money.

13 (7) (i) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION
14 (7), FOR THE 2027-28 BUDGET YEAR AND EACH BUDGET YEAR
15 THEREAFTER, WHEN CALCULATING EACH DISTRICT'S TOTAL PROGRAM
16 PURSUANT TO THIS SECTION FOR THE PURPOSE OF DETERMINING A
17 DISTRICT'S TOTAL PROGRAM PURSUANT TO SECTION 22-54-103.3, THE
18 DEPARTMENT OF EDUCATION SHALL USE THE SAME FUNDED PUPIL COUNT
19 THAT IT USES PURSUANT TO SECTION 22-54-103.5 (4) FOR THE PURPOSE OF
20 DETERMINING A DISTRICT'S TOTAL PROGRAM PURSUANT TO SECTION
21 22-54-103.3.

22 (j) IF THE DEPARTMENT OF EDUCATION DETERMINES THAT A
23 DISTRICT'S PUPIL ENROLLMENT OR OPERATING INSTITUTE CHARTER
24 SCHOOL'S PUPIL ENROLLMENT FOR A PRECEDING BUDGET YEAR INCLUDED
25 PUPILS WHO WERE NOT REPORTED AS MULTI-DISTRICT ONLINE PUPILS, BUT
26 WERE DETERMINED BY THE DEPARTMENT OF EDUCATION TO HAVE BEEN
27 EDUCATED IN A SETTING THAT WAS EQUIVALENT TO A MULTI-DISTRICT

1 ONLINE PROGRAM, THE DEPARTMENT OF EDUCATION SHALL USE THE
2 ADJUSTED DISTRICT PUPIL ENROLLMENT OR OPERATING INSTITUTE
3 CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THAT PRECEDING BUDGET
4 YEAR WHEN DETERMINING FUNDED PUPIL COUNT PURSUANT TO THIS
5 SUBSECTION (7).

6 (8) This section is repealed, effective ~~July 1, 2031~~ JULY 1, 2032.

7 **SECTION 13.** In Colorado Revised Statutes, 22-54-104.6,
8 **amend** (1)(a) introductory portion, (1)(b), and (12); and **add** (1.5) as
9 follows:

10 **22-54-104.6. Implementation of at-risk measure - legislative**
11 **declaration - definitions - repeal.** (1) (a) The general assembly finds
12 and declares that implementing ~~a new~~ AN IMPROVED at-risk measure for
13 identifying students who are at risk of below-average academic
14 performance because of socioeconomic disadvantages or poverty will
15 benefit Colorado students by:

16 (b) Therefore, it is the intent of the general assembly to ~~create a~~
17 ~~working group convened by the commissioner of education to determine~~
18 ~~how to construct and implement the new~~ CONTINUOUSLY IMPROVE THE
19 CONSTRUCTION AND IMPLEMENTATION OF THE at-risk measure for use in
20 the state's public school funding formula.

21 (1.5) (a) IN ORDER TO ACCOUNT FOR STUDENTS WHO ARE AT-RISK
22 OF BELOW-AVERAGE ACADEMIC PERFORMANCE AND EDUCATION
23 OUTCOMES BECAUSE OF SOCIOECONOMIC DISADVANTAGES OR POVERTY,
24 BUT WHO MAY NOT QUALIFY FOR FREE OR REDUCED PRICE LUNCH, THE
25 DEPARTMENT OF EDUCATION SHALL COLLECT DATA NECESSARY TO
26 IDENTIFY INDIVIDUAL STUDENT CENSUS BLOCK GROUPS.

27 (b) NOTWITHSTANDING SUBSECTION (1.5)(a) OF THIS SECTION, THE

1 STATE BOARD MAY PROMULGATE RULES THAT DIRECT THE DEPARTMENT
2 OF EDUCATION TO SUSPEND THE COLLECTION OF DATA PURSUANT TO
3 SUBSECTION (1.5)(a) OF THIS SECTION, IF THE COLLECTED DATA INDICATES
4 THAT THE STUDENT POPULATION IDENTIFIED IN SUBSECTION (1.5)(a) OF
5 THIS SECTION IS SUBSTANTIALLY SIMILAR TO THE AT-RISK STUDENT
6 POPULATION THAT IS IDENTIFIED THROUGH FREE AND REDUCED PRICE
7 LUNCH AND DIRECT CERTIFICATION. THE STATE BOARD MAY ALSO
8 PROMULGATE RULES THAT DIRECT THE DEPARTMENT OF EDUCATION TO
9 RE-START THE COLLECTION OF DATA PURSUANT TO SUBSECTION (1.5)(a)
10 OF THIS SECTION, AFTER A SUSPENSION OF DATA COLLECTION.

11 (12) Subsections ~~(4) to (11)~~ (2) TO (11.7) of this section are
12 repealed, effective July 1, 2025. ■ ■

13 **SECTION 14. In Colorado Revised Statutes, 22-41-102, amend**
14 **(3)(i)(IV), (3)(j)(IV), and (3)(k)(III) as follows:**

15 **22-41-102. Fund inviolate. (3) (i) For the 2024-25 state fiscal**
16 **year, interest and income earned on the investment of the money in the**
17 **public school fund must be used or credited as follows:**

18 **(IV) Any additional interest and income remaining in the public**
19 **school fund may be credited as specified by the general assembly, taking**
20 **into consideration the recommendations of the public school fund**
21 **investment board described in section 22-41-102.5 (4)(a)(III), or, if not**
22 **credited pursuant to this subsection (3)(i)(IV), remains in the public**
23 **school fund IS CREDITED TO THE PUBLIC SCHOOL CAPITAL CONSTRUCTION**
24 **ASSISTANCE FUND PURSUANT TO SECTION 22-43.7-104 (2)(d.5).**

25 **(j) For the 2025-26 state fiscal year, interest and income earned on**
26 **the investment of the money in the public school fund must be used or**
27 **credited as follows:**

1 (IV) Any additional interest and income remaining in the public
2 school fund may be credited as specified by the general assembly, taking
3 into consideration the recommendations of the public school fund
4 investment board described in section 22-41-102.5 (4)(a)(III), or, if not
5 credited pursuant to this subsection (3)(j)(IV), remains in the public
6 school fund IS CREDITED TO THE PUBLIC SCHOOL CAPITAL CONSTRUCTION
7 ASSISTANCE FUND PURSUANT TO SECTION 22-43.7-104 (2)(d.5).

8 (k) For the 2026-27 state fiscal year and each state fiscal year
9 thereafter, interest and income earned on the investment of the money in
10 the public school fund must be used or credited as follows:

11 (III) Any additional interest and income remaining in the public
12 school fund may be credited as specified by the general assembly, taking
13 into consideration the recommendations of the public school fund
14 investment board described in section 22-41-102.5 (4)(a)(III), or, if not
15 credited pursuant to this subsection (3)(k)(III), remains in the public
16 school fund IS CREDITED TO THE PUBLIC SCHOOL CAPITAL CONSTRUCTION
17 ASSISTANCE FUND PURSUANT TO SECTION 22-43.7-104 (2)(d.5).

18 **SECTION 15.** In Colorado Revised Statutes, 22-43.7-104,
19 **amend** (1) and (2)(d)(I); and **add** (2)(d.5) and (7) as follows:

20 **22-43.7-104. Public school capital construction assistance fund**
21 **- creation - crediting of money to fund - use of fund - emergency**
22 **reserve - creation - reserve account - creation and use - definition -**
23 **report.** (1) (a) The public school capital construction assistance fund is
24 **hereby** created in the state treasury. SUBJECT TO THE LIMITATION SET
25 FORTH IN SUBSECTION (1)(b)(I) OF THIS SECTION, the principal of the
26 assistance fund ~~shall consist~~ CONSISTS of all ~~moneys~~ MONEY transferred
27 or credited to the assistance fund pursuant to subsection (2) of this

1 section. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(b)(I) OF THIS
2 SECTION, all interest and income earned on the deposit and investment of
3 ~~moneys~~ MONEY in the assistance fund ~~shall be~~ IS credited to the assistance
4 fund and ~~shall not be~~ IS NOT transferred to the general fund or any other
5 fund at the end of any fiscal year.

6 (b) (I) (A) FOR THE 2024-25 STATE FISCAL YEAR, AND EACH STATE
7 FISCAL YEAR THEREAFTER, THE TOTAL AMOUNT OF REVENUE CREDITED IN
8 THE STATE FISCAL YEAR TO THE ASSISTANCE FUND PURSUANT TO THIS
9 SECTION MUST NOT EXCEED ONE HUNDRED FIFTY MILLION DOLLARS,
10 WHICH AMOUNT MUST BE ANNUALLY ADJUSTED FOR INFLATION FOR EACH
11 STATE FISCAL YEAR THEREAFTER.

12 (B) FOR THE 2024-25 STATE FISCAL YEAR, AND EACH STATE FISCAL
13 YEAR THEREAFTER, THE STATE TREASURER SHALL CREDIT TO THE STATE
14 PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114(1) ANY AMOUNT OF
15 REVENUE THAT EXCEEDS IN THE STATE FISCAL YEAR ONE HUNDRED FIFTY
16 MILLION DOLLARS, AS ADJUSTED ANNUALLY FOR INFLATION FOR STATE
17 FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2025, THAT OTHERWISE
18 WOULD BE CREDITED TO THE ASSISTANCE FUND PURSUANT TO THIS
19 SECTION.

20 (II) NOTWITHSTANDING SUBSECTION (1)(b)(I) OF THIS SECTION,
21 THE TOTAL AMOUNT OF REVENUE DESCRIBED IN SUBSECTION (1)(b)(I) OF
22 THIS SECTION DOES NOT INCLUDE MONEY CREDITED TO THE ASSISTANCE
23 FUND PURSUANT TO SUBSECTION (2)(d.5) OF THIS SECTION.

24 (III) AS USED IN THIS SUBSECTION (1)(b), "INFLATION" MEANS THE
25 ANNUAL PERCENTAGE INCREASE IN THE UNITED STATES DEPARTMENT OF
26 LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX, OR A
27 SUCCESSOR INDEX, FOR DENVER-AURORA-LAKEWOOD FOR ALL ITEMS

1 PAID FOR BY URBAN CONSUMERS.

2 (2) (d) (I) (A) For the state fiscal year commencing July 1, 2018,
3 the state treasurer, as provided in section 39-28.8-305 (1)(a), shall credit
4 to the assistance fund the greater of the first forty million dollars received
5 and collected from the excise tax on retail marijuana imposed pursuant to
6 part 3 of article 28.8 of title 39 or ninety percent of the money received
7 and collected from the tax. For the state fiscal year commencing July 1,
8 2019, and for each state fiscal year thereafter except for the state fiscal
9 year commencing July 1, 2020, the state treasurer, as provided in section
10 39-28.8-305 (1)(a), shall annually credit to the assistance fund all of the
11 money received and collected from the excise tax on retail marijuana
12 imposed pursuant to part 3 of article 28.8 of title 39. For the state fiscal
13 year commencing July 1, 2020, the state treasurer, as provided in section
14 39-28.8-305 (1)(a), shall credit to the assistance fund the lesser of the first
15 forty million dollars received and collected from the excise tax on retail
16 marijuana imposed pursuant to part 3 of article 28.8 of title 39 or all of
17 the money received and collected from the tax. For state fiscal years
18 commencing before July 1, 2019, the state treasurer shall credit twelve
19 and five-tenths percent of the amount annually credited pursuant to this
20 subsection (2)(d) to the charter school facilities assistance account, which
21 account is created within the assistance fund. For each state fiscal year
22 commencing on or after July 1, 2019, the state treasurer shall credit to the
23 charter school facilities assistance account a percentage of the amount
24 credited pursuant to this subsection (2)(d) that is equal to the percentage
25 of pupil enrollment, as defined in section 22-54-103 (10), statewide
26 represented by pupils who were enrolled in charter schools for the prior
27 school year. The department of education shall notify the state treasurer

1 of the applicable percentage no later than June 1 of the immediately
2 preceding fiscal year. For the state fiscal year commencing July 1,
3 2019, and for each state fiscal year thereafter, the state
4 treasurer, as provided in section 39-28.8-305 (1)(a), shall
5 annually credit to the assistance fund all of the money
6 received and collected from the excise tax on retail marijuana
7 imposed pursuant to part 3 of article 28.8 of title 39, subject to
8 the limitation set forth in subsection (1)(b)(I) of this section.

9 (B) There is created within the assistance fund the
10 charter school facilities assistance account. For the 2019-20
11 state fiscal year, and each state fiscal year thereafter, the
12 state treasurer shall credit to the charter school facilities
13 assistance account a percentage of the amount credited
14 pursuant to this subsection (2)(d) that is equal to the
15 percentage of pupil enrollment, as defined in section 22-54-103,
16 statewide represented by pupils who were enrolled in charter
17 schools for the prior school year. The department of education
18 shall notify the state treasurer of the applicable percentage no
19 later than June 1 of the immediately preceding state fiscal year.

20 (d.5) For the 2024-25 state fiscal year and each state
21 fiscal year thereafter, the state treasurer shall credit to the
22 assistance fund the additional interest and income remaining in
23 the public school fund pursuant to section 22-41-102 (3)(i)(IV),
24 (3)(j)(IV), and (3)(k)(III).

25 (7) In its budget request submitted to the joint budget
26 committee each November 1, the office of state planning and
27 budgeting shall report the amount of revenue that was credited

1 TO THE STATE PUBLIC SCHOOL FUND FOR THE PRIOR STATE FISCAL YEAR
2 PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION. THE JOINT BUDGET
3 COMMITTEE MUST CONSIDER THE AMOUNT OF REVENUE THAT WAS
4 CREDITED TO THE STATE PUBLIC SCHOOL FUND AND WHETHER TO
5 CONTINUE CREDITING MONEY TO THE STATE PUBLIC SCHOOL FUND
6 PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION.

7 **SECTION 16.** In Colorado Revised Statutes, 22-7-1209, **amend**
8 **(7)** as follows:

9 **22-7-1209. State board - rules - department - duties.**

10 **(7)** Beginning in the 2019-20 budget year, the department shall ~~contract~~
11 ~~with an entity to~~ develop and implement a public information campaign
12 to emphasize the importance of learning to read by third grade and to
13 highlight the local education providers that are achieving high
14 percentages of third-grade students who demonstrate reading competency.
15 The public information campaign must be disseminated statewide and
16 must emphasize the important roles that educators and parents have in
17 teaching children to read and in providing a school and home
18 environment that promotes reading. The department is encouraged to
19 work with the public and private library agencies throughout the state in
20 developing and implementing the public information campaign.

21 **SECTION 17.** In Colorado Revised Statutes, 22-105.5-104,
22 **amend (3)(c)(I)** as follows:

23 **22-105.5-104. Out-of-school time program grant program -**
24 **created - use of grants - funding - rules - repeal.** (3) (c) (I) For the
25 2024-25, 2025-26, and 2026-27 state fiscal years, the general assembly
26 shall appropriate three million five hundred thousand dollars in each state
27 fiscal year from the general fund to the department for purposes of this

1 section. ANY UNEXPENDED MONEY REMAINING AT THE END OF THE
2 2024-25 OR 2025-26 STATE FISCAL YEAR FROM AN APPROPRIATION MADE
3 PURSUANT TO THIS SUBSECTION (3)(c)(I):

4 (A) MAY BE USED BY THE DEPARTMENT IN THE 2025-26 OR
5 2026-27 STATE FISCAL YEARS WITHOUT FURTHER APPROPRIATION; AND

6 (B) MUST NOT BE USED FOR ANY PURPOSE OTHER THAN THE
7 PURPOSES OF THIS SECTION.

8 **SECTION 18.** In Colorado Revised Statutes, 22-105.5-106,
9 **amend** (1) introductory portion and (5) as follows:

10 **22-105.5-106. Reporting requirements.** (1) On or before July
11 ~~1, 2025~~, JULY 1, 2026, and on or before July 1 each year thereafter in
12 which a grant is awarded, each grantee shall submit a report to the
13 department. At a minimum, the report must include the following
14 information:

15 (5) On or before ~~March 31, 2026~~, MARCH 31, 2027, and on or
16 before March 31 each year thereafter for the duration of the grant
17 program, the department shall submit a summarized report of information
18 provided by the eligible entities that received a grant to the education
19 committees of the senate and the house of representatives, or any
20 successor committees.

21 **SECTION 19.** In Colorado Revised Statutes, 42-1-102, **amend**
22 (88) and (88.5)(a); and **add** (60.2) as follows:

23 **42-1-102. Definitions.** As used in articles 1 to 4 of this title 42,
24 unless the context otherwise requires:

25 (60.2) "MULTIFUNCTION SCHOOL ACTIVITY BUS" MEANS A MOTOR
26 VEHICLE THAT IS DESIGNED AND USED SPECIFICALLY FOR THE
27 TRANSPORTATION OF SCHOOL CHILDREN TO OR FROM A SCHOOL-RELATED

1 ACTIVITY, WHETHER THE ACTIVITY OCCURS WITHIN OR OUTSIDE THE
2 TERRITORIAL LIMITS OF A SCHOOL DISTRICT AND WHETHER OR NOT THE
3 ACTIVITY OCCURS DURING SCHOOL HOURS. A "MULTIFUNCTION SCHOOL
4 ACTIVITY BUS" MUST COMPLY WITH ALL FEDERAL MOTOR VEHICLE SAFETY
5 STANDARDS AND REGULATIONS APPLICABLE TO SCHOOL BUSES, EXCEPT
6 ANY STANDARD OR REGULATION REQUIRING THE INSTALLATION OF
7 OFFICIAL TRAFFIC CONTROL DEVICES.

8 (88) "School bus" means a motor vehicle that is designed and used
9 specifically for the transportation of school children to or from a public
10 or private school or a school-related activity, whether the activity occurs
11 within or ~~without~~ OUTSIDE the territorial limits of ~~any~~ A SCHOOL district
12 and whether or not the activity occurs during school hours. "School bus"
13 ~~does not include informal or intermittent arrangements, such as sharing~~
14 ~~of actual gasoline expense or participation in a car pool, for the~~
15 ~~transportation of school children to or from a public or private school or~~
16 ~~a school-related activity~~ A "SCHOOL BUS" MUST COMPLY WITH ALL
17 FEDERAL MOTOR VEHICLE SAFETY STANDARDS AND REGULATIONS
18 APPLICABLE TO SCHOOL BUSES.

19 (88.5) (a) "School vehicle" means a motor vehicle, including, but
20 not limited to, a school bus OR MULTIFUNCTION SCHOOL ACTIVITY BUS,
21 that is owned by or under contract to a public or private school and
22 operated for the transportation of school children to or from school or a
23 school-related activity.

24 **SECTION 20.** In Colorado Revised Statutes, 42-4-707, **amend**
25 (1)(a) introductory portion and (5) introductory portion; and **add** (5)(a.5)
26 as follows:

27 **42-4-707. Certain vehicles must stop at railroad grade**

1 **crossings - definitions.** (1) (a) Except as otherwise provided in this
2 section, the driver of a school bus, as defined in subsection (5)(b) of this
3 section OR THE DRIVER OF A MULTIFUNCTION SCHOOL ACTIVITY BUS, AS
4 DEFINED IN SUBSECTION (5)(a.5) OF THIS SECTION, ~~carrying any~~
5 ~~schoolchild~~ the driver of a vehicle carrying hazardous materials that is
6 required to be placarded in accordance with rules issued under section
7 42-20-108, or the driver of a commercial vehicle, as defined in section
8 42-4-235, that is transporting passengers, before crossing at grade any
9 tracks of a railroad:

10 (5) ~~For the purposes of~~ AS USED IN this section:

11 (a.5) "MULTIFUNCTION SCHOOL ACTIVITY BUS" MEANS A
12 MULTIFUNCTION SCHOOL ACTIVITY BUS THAT IS REQUIRED TO BEAR ON
13 THE FRONT AND REAR OF THE BUS THE WORDS "ACTIVITY BUS"
14 PURSUANT TO SECTION 42-4-1903 (2)(a.5).

15 **SECTION 21.** In Colorado Revised Statutes, 42-4-1901, **amend**
16 (2)(b) as follows:

17 **42-4-1901. School buses - equipped with supplementary brake**
18 **retarders.** (2) (b) The general assembly encourages school districts to
19 consider installing ~~only electromagnetic retarders or~~ state-of-the-art
20 retarders for purposes of supplementing service brake systems of school
21 buses when such retarders are acquired on or after April 17, 1991. The
22 general assembly also encourages school districts to consider purchasing
23 only those new school buses ~~which~~ THAT are equipped with external
24 public address systems and retarders of appropriate capacity for purposes
25 of supplementing any service brake systems of such school buses.

26 **SECTION 22.** In Colorado Revised Statutes, **amend** 42-4-1902
27 as follows:

1 **42-4-1902. School vehicle drivers - special training required.**

2 On and after July 1, 1992, the driver of ~~any~~ A school vehicle as defined
3 in section 42-1-102 (88.5) owned or operated by or for ~~any~~ A school
4 district in this state shall have successfully completed training ~~approved~~
5 ~~by the department of education~~, concerning driving on mountainous
6 terrain, as defined in section 42-4-1901 (3)(a), and driving in adverse
7 weather conditions.

8 **SECTION 23.** In Colorado Revised Statutes, 42-4-1903, **amend**
9 (1)(a), (2)(a) introductory portion, and (3); and **add** (2)(a.5) as follows:

10 **42-4-1903. School buses - stops - signs - passing.** (1) (a) The
11 driver of a motor vehicle upon any highway, road, or street, upon meeting
12 or overtaking from either direction any school bus that has stopped, shall
13 stop the vehicle at least twenty feet before reaching the school bus if
14 visual signal lights as specified in subsection (2) of this section have been
15 actuated on the school bus. The driver shall not proceed until the visual
16 signal lights are no longer being actuated. ~~The driver of a motor vehicle~~
17 ~~shall stop when a school bus that is not required to be equipped with~~
18 ~~visual signal lights by subsection (2) of this section stops to receive or~~
19 ~~discharge schoolchildren.~~

20 (2) (a) Every school bus as defined in section 42-1-102 (88), other
21 than a small passenger-type vehicle having a seating capacity of not more
22 than ~~fifteen~~ TWELVE, used for the transportation of schoolchildren ~~shall~~
23 MUST:

24 (a.5) EVERY MULTIFUNCTION SCHOOL ACTIVITY BUS AS DEFINED
25 IN SECTION 42-1-102 (60.2) MUST BEAR ON THE FRONT AND REAR OF THE
26 BUS THE WORDS "ACTIVITY BUS" IN BLACK LETTERS NOT LESS THAN
27 EIGHT INCHES IN HEIGHT.

1 (3) Every school bus used for the transportation of schoolchildren,
2 except those small passenger-type vehicles described in subsection (1) of
3 this section AND MULTIFUNCTION SCHOOL ACTIVITY BUSES, ~~shall~~ MUST be
4 equipped with school bus pedestrian safety devices that comply with 49
5 CFR 571.131 or its successor regulation.

6 **SECTION 24. Appropriation.** For the 2025-26 state fiscal year,
7 \$7,009,989 is appropriated to the department of education. This
8 appropriation is from the state education fund created in section 17 (4)(a)
9 of article IX of the state constitution. To implement this act, the
10 department may use this appropriation for at-risk supplemental aid.

11 **SECTION 25. Appropriation.** For the 2025-26 state fiscal year,
12 \$3,571,233 is appropriated to the department of education. This
13 appropriation is from the state education fund created in section 17 (4)(a)
14 of article IX of the state constitution. To implement this act, the
15 department may use this appropriation for state share of districts' total
16 program funding.

17 **SECTION 26. Appropriation.** For the 2025-26 state fiscal year,
18 \$7,600,000 is appropriated to the department of education. This
19 appropriation is from public school capital construction assistance fund
20 created in section 22-43.7-104 (1), C.R.S. To implement this act, the
21 department may use this appropriation for public school capital
22 construction assistance board - cash grants.

23 **SECTION 27. Appropriation - adjustments to 2025 long bill.**
24 (1) To implement this act, appropriations made in the annual general
25 appropriation act for the 2025-26 state fiscal year to the department of
26 education are adjusted as follows:

27 (a) The cash funds appropriation from the state education fund

1 created in section 17 (4)(a) of article IX of the state constitution for state
2 share of districts' total program funding is decreased by \$15,775,837;

3 (b) The cash funds appropriation from the state education fund
4 created in section 17 (4)(a) of article IX of the state constitution for
5 at-risk per pupil additional funding is decreased by \$5,000,000; and

6 (c) The cash funds appropriation from public school capital
7 construction assistance fund created in section 22-43.7-104 (1), C.R.S.,
8 for public school capital construction assistance board - cash grants is
9 decreased by \$45,648,087.

10 **SECTION 28. Safety clause.** The general assembly finds,
11 determines, and declares that this act is necessary for the immediate
12 preservation of the public peace, health, or safety or for appropriations for
13 the support and maintenance of the departments of the state and state
14 institutions.